



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8

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DEC 29 2011

Ref: 8P-W-GW

Mark Bohrer
UIC Manager
North Dakota Industrial Commission
1016 Calgary Avenue
Bismarck, North Dakota 58501-0840

RE: Underground Injection Control (UIC)
FY 2011 Midyear Review of the
North Dakota UIC 1425 Program

Dear Mr. Bohrer:

Enclosed is a summary of results from our brief program midyear review of the Department of Health's Underground Injection Control program conducted via the state visit on September 19-21, 2011.

We continue to appreciate Tom Schumacher's leadership in implementing this program. Please contact Craig Boomgaard at (303) 312-6794 with any questions concerning this summary.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Stavnes".

Sandra Stavnes
Director
Technical Enforcement Program
Office of Enforcement, Compliance,
and Environmental Justice

A handwritten signature in black ink, appearing to read "Steven J. Pratt".

Steven J. Pratt, PE, CAPM (inactive)
Director
Ground Water Program
Office of Partnerships
and Regulatory Assistance

Enclosure

NORTH DAKOTA INDUSTRIAL COMMISSION
CLASS II UNDERGROUND INJECTION CONTROL PROGRAM
FY 2011 STATE MID-YEAR OVERSIGHT SUMMARY
(State Oversight Visit September 19th – 23rd, 2011)

Oversight/Technical Assistance

- Issued Regional UIC reporting guidance.
- Conducted mid-year review in person with NDIC UIC program staff in September.
- Provided support for the State's goal of obtaining primacy for Class VI (carbon sequestration wells).
- EPA HQ and a consultant have been working with the NDIC to allow data to flow from their database to the national UIC database. Because of the database type a revised schema (Schema 2) was needed to interface between the two systems. It appears that they are close to resolving the issue allowing NDIC and the national database to communicate.

Summary of Oversight Visit

- Reviewed Class II injection well files for completeness. The files were thorough and contained everything electronically. No deficiencies were found despite an increasing workload.
- NDIC raised the issue of no funding associated with Class VI wells. NDIC pointed out the level of effort to review these types of applications would be much more extensive than any other well type and there is a high level of effort associated with obtaining primacy. With a potential Class VI permit application on the horizon, we discussed that until North Dakota receives primacy, the EPA will be processing applications and potentially issuing permits. The EPA acknowledged there were some State regulations already codified that apply to the surface facility and that during the permit process both agencies would work closely and coordinate during the permit process.
- The number of Class II applications is dramatically increasing. Twenty-seven (27) applications came in between mid-August and mid-September. In past years, approximately 20-30 were received in a year. The majority of the applications received were for salt water disposal wells.
- The EPA and NDIC staff discussed the primacy application for assisting the state in seeking Class VI wells and the level of interaction with DOH's 1422 program.
- Discussed EPA resources available for Class VI primacy, including having an EPA contractor review the cross-walk table to assist the State and Region 8 review of the primacy application
- HQ's desire to electronically flow data into the national database was communicated to the state. The state acknowledges this interest, but made no commitments.
- EPA is proposing Class II SWD injectate sampling to characterize the produced water from the Bakken and Three Forks formations. The NDIC said they would be very interested in the sampling results.

State Grant Commitment Shortfalls/Significant Deficiencies

- Discussed keeping up with the required grant paper work. The staff currently has an extreme workload associated with the Bakken play and efforts are being made to keep up with it.

Performance Highlights

- To date, NDIC has completed over 1,213 Class II well inspections. At this rate they will exceed their FY11 work plan goal of 1,500 assessments.
- NDIC has continued to meet its compliance inspection and regulatory obligations even with an exponential increase in oil activity in the State. This has been accomplished by slightly increasing staff and increasing field staff hours.
- NDIC continues to thoroughly review applications for Class II wells, even with an approximately 10-fold increase in applications. This is accomplished using web-based permitting along with GIS software. All geophysical logs are electronically available and linked to the GIS database. All permit documents are stored in a PDF format filing system. This powerful combination of web-based GIS and permit database allows the permit writer to be significantly more efficient and accurate compared to a paper-based system.
- The program's relationship with the Region has improved greatly in the past year. The EPA's Class VI primacy seminars and the overall primacy process have required a great deal of communication between the State and the Region. One-on-one meetings were held with the State representative, the Region and HQ staff during the primacy seminars, which improved the comfort level and communications between programs. The Region and State worked closely to convey the State's plans for the NDIC to be in charge of the Class VI program even though the Department of Health ran the 1422 program. The State oversight visit allowed face-to-face conversations between the project officer and the State program staff. NDIC indicated it was happy to see the EPA taking a more personal interest in their program and pointed out the last visit was ten years ago. The great deal of interaction this trip allowed helped staffs to get to know each other better. The exchange of information has also improved in frequency and quality.

Recommendation for Level of Oversight

- Same